

# Agricultural Situation

JULY 1965

Vol. 49, No. 7

Statistical Reporting Service  
U.S. Department of Agriculture

## PEANUT GROWERS' PAST . . . . . RISING YIELDS, DECLINING ACREAGE

To most of us, peanuts are a snack we enjoy at our leisure. But to about 100,000 growers in the Virginia-Carolina, Southeastern, and Southwestern production areas, peanuts are an important cash crop.

Yields per acre in peanut-growing areas have risen sharply since the end of World War II. The average yield per acre in 1947 was 646 pounds; in 1964, a new record was set at 1,569 pounds.

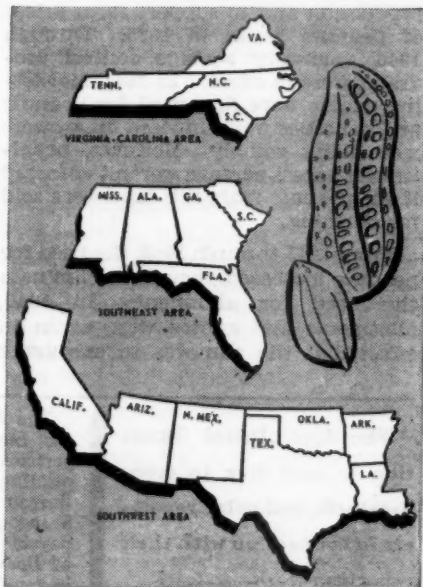
The rapid rise in yield reflects increased use of fertilizer and herbicides, a shift to higher-producing varieties, and more intensive planting per acre.

As yields have increased, peanut acreage has dropped. Acreage planted for all purposes declined from 4.1 million acres in 1947 to 1.5 million in 1960. From 1960 to the present, acreage has remained steady because the legal minimum allotments have been in effect.

Not all peanuts are harvested for nuts, however. Part of the crop is used for hay and other purposes (primarily as pasture for hogs). But these uses as a proportion of the total acreage are dropping even more rapidly than the share for nuts. During 1947-49, about 20 percent of the total

acreage of peanuts planted was used for hogging-off. From 1960 on, only 9 percent was used for other than nuts.

Of the three major peanut-producing areas, the Southeast (Georgia, Florida, Alabama, Mississippi, and the southern part of South Carolina) accounts for



the largest share of output. In recent years, this region has produced about half the U.S. crop. Acreage harvested for nuts averaged 735,000 annually.

The small-seeded Spanish variety accounts for a major share of the total crop in the Southeast area. Runner is the other common type in this region.

The Virginia-Carolina area (Virginia, North Carolina, Tennessee, and that part of South Carolina north and east of the Santee-Congaree Broad Rivers) has the highest yields per acre of the three regions. Roughly 30 percent of total production is grown in the Virginia-Carolina area. During 1960-64, the region's peanut harvest averaged 280,000 acres annually. Most nuts produced in the Virginia-Carolina region are the large-seeded Virginia type.

The Southwest region (Arkansas, Arizona, Louisiana, Oklahoma, Texas, California, and New Mexico) claims the remaining 20 percent of the U.S. peanut output. During the past 5 years, an average of 400,000 acres of nuts were harvested each year.

Most of the crop in the Southwest area are Spanish nuts. Some Valencia peanuts are grown in New Mexico, but they are of minor importance.

Government effort to control peanut production and to support farm prices of peanuts began in 1935. Through 1940, voluntary acreage control programs were in effect. In 1941, marketing quotas were first used for peanuts and penalties were imposed on growers who didn't comply. However, penalties for excess acreage weren't enforced if the peanuts from this land were sold for crushing.

From 1943 through 1948, the need for peanuts increased enough to eliminate the need for allotments. In 1949, allotments and quotas were again in effect, but the aim was to encourage

production above food and farm uses because of the world food shortage.

From 1949 to 1954, allotted acreage was reduced each year until the legal minimum of 1.6 million acres was reached. In 1955, the allotted acreage was raised to 1.7 million because of a small crop the previous year. The 1956 allotment also was increased slightly; 40,000 extra acres were permitted for Virginia and Valencia varieties because 1955 crops of these types were under normal levels. Since 1956, the annual acreage allotment has been held to the 1.6-million-acre minimum, except for small increases for varieties in temporary short supply.

Peanut acreage allotments on individual farms are small. They average about 15 acres. To be eligible for price support, a grower cannot exceed his acreage allotment. When quotas are in effect, peanut prices are supported between 75 and 90 percent of parity. If growers reject quotas, support is at 50 percent of parity.

The most recent peanut referendum was in December 1962. A record 97 percent of the growers voting approved quotas for the 1963, 1964, and 1965 crops. Historically, growers have always approved quotas.

Despite efforts to control peanut production, the sharp uptrend in yields has caused supplies to be far above edible needs in recent years. As a result, the Commodity Credit Corporation (CCC) has acquired 15 to 24 percent of the crops in carrying out price support operations. CCC stocks are used for crushings, exports, and in some years, for peanut butter for school lunches and the needy.

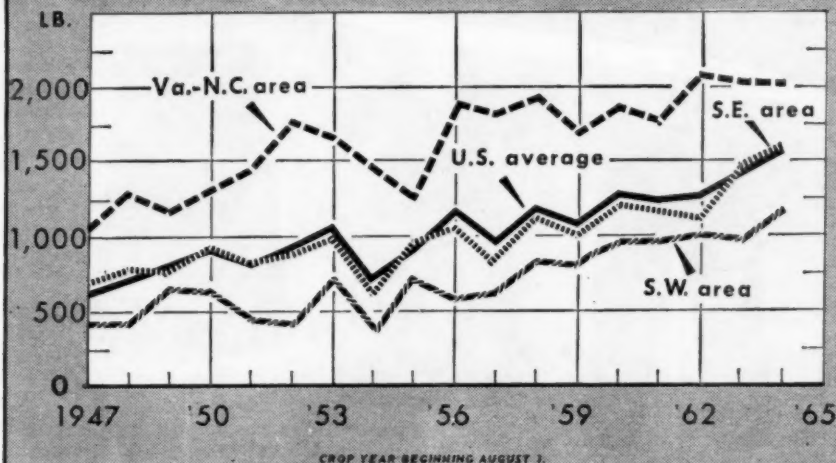
By far the largest diversion outlet for CCC nuts over the years is crushings. Nuts used for oil and meal are sold by CCC for about half of the support price. For example, 1964-crop

---

**The Agricultural Situation** is sent free to crop, livestock, and price reporters in connection with their reporting work.

The Agricultural Situation is a monthly publication of the Statistical Reporting Service, United States Department of Agriculture, Washington, D.C., 20250. The printing of this publication has been approved by the Bureau of the Budget (March 12, 1964). Single copy 5 cents, subscription price 50 cents a year, foreign \$1, payable in check or money order to the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C., 20402.

## PEANUT YIELDS PER ACRE HARVESTED FOR NUTS



U. S. DEPARTMENT OF AGRICULTURE

NEG. ERS 3675-43 (3) ECONOMIC RESEARCH SERVICE

peanuts were supported at \$224 per average grade net ton; CCC received about \$120 per ton for peanuts diverted into oil channels.

Prior to June 1963, large quantities of CCC-owned nuts were processed into peanut butter for distribution to schools and needy persons. CCC received about 10 cents a pound for these shelled nuts. However, since 1963 purchases of peanut butter for these programs have been made directly from manufacturers.

As the foregoing paragraphs suggest, CCC peanut support operations have generally been carried out at a loss. Losses varied widely—from \$40 million in 1949 to zero in 1954. Since 1955, the annual loss has averaged about \$17 million or 9 percent of the farm value of U.S. peanut production. Per pound, CCC losses have averaged about 6 cents for all nuts acquired under the price support program.

The average level of price support has varied from a low of \$193.50 per ton (75 percent of parity) in 1959 to a high of \$244.80 per ton (90 percent of parity) in 1954 and 1955. The 1964 rate was \$224 per ton (79 percent of parity in

August) and the 1965 minimum was announced in April at the same rate.

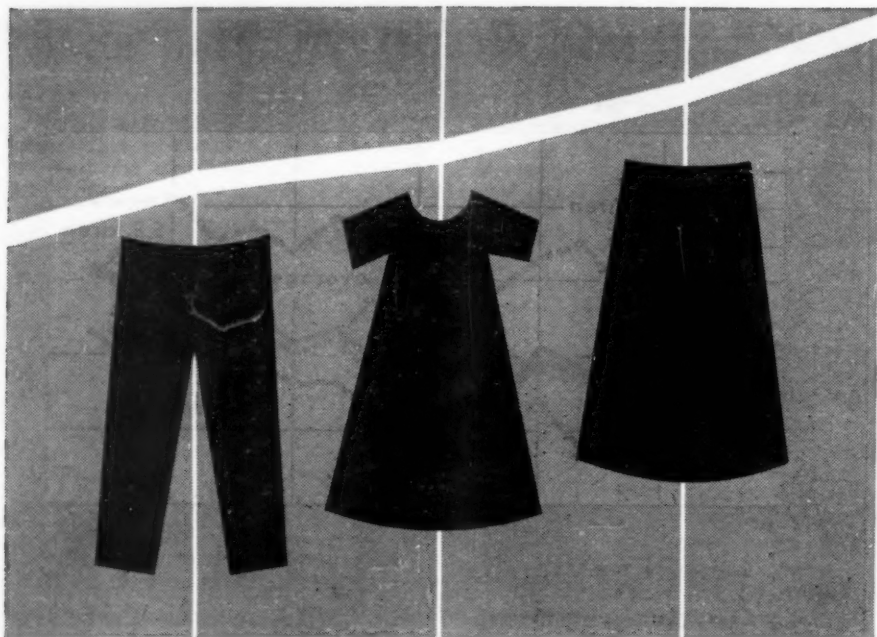
As soon as the crop is cured and picked, most growers deliver their nuts directly to shellers, warehousemen, or brokers. The price paid generally depends on the Federal-State Inspection Service grade as determined by sampling the load at the plant or warehouse.

On loads that meet specified minimum-quality requirements, but are not purchased by a sheller or broker, the CCC offers nonrecourse loans as the means of support prices to growers.

More than two-thirds of the peanuts used in this country go into edible products, mainly peanut butter, candy, salted nuts, and roasted nuts in the shell. The remaining third is crushed for oil and meal, exported, used for seed and feed, or lost on farms.

The consumption of peanuts has been rising slowly in recent years. Total consumption was 955 million pounds (farmers' stock basis) in 1955 compared with an estimated 1,385 million in 1964.

George W. Kromer  
Economic Research Service



## WURLAN: WOOL'S NEWEST FEATURE

The chief, longstanding complaint about wool clothing is the necessity for dry cleaning or for special care during washing and drying. In part because manmade fibers are easier to care for, they have steadily replaced some of the wool in formerly all-wool garments. Obviously, if wool were washable, the tide might be turned. So, researchers at USDA's Wool and Mohair Laboratory in California were assigned the task of developing a process that would make wool launderable. In 1961, they were successful. The result of their efforts is called WURLAN.

The WURLAN treatment is a chemical process in which an extremely thin film of polymer is applied to the surface of the wool fibers. In addition to being washable, WURLAN-treated fabrics are stronger than ordinary ones. This makes clothing made of WURLAN wool wear better and longer.

After the process was invented, the next step was to measure the market potential for WURLAN wool. To get an idea of the impact the process

would have on the use of wool, more information was needed on: How launderable should all-wool clothing be to be salable; the particular clothing items that should be launderable; and on the basis of the preceding questions, the amount of shrink-proof wool that would be needed.

After interviewing merchandise managers and clothing buyers from 40 retail clothing firms and 25 apparel manufacturers, the researchers concluded that the product should be machine washable and dryable without special settings.

Clothing that should have added appeal to consumers after WURLAN processing included skirts, sweaters, slacks, knit underwear and hose.

In 1962, 179 million pounds of wool were used in the manufacture of all-wool clothing items that ideally, could be washable. Researchers estimated that over 131 million pounds of that total could be WURLANized.

Larry B. Clayton  
*Economic Research Service*



# WOOL PRICES, MILL USE DROP

## As Manmade Fibers Take Larger Share

Since June 1964, wool prices have been gradually declining. Mill use also dropped during 1964 because wool prices were relatively higher than those of manmade fibers. The higher wool prices in early 1964 resulted in a continued increase in the use of manmade fibers.

The average price received by growers for shorn wool during 1965 will be below the 53.2 cents per pound, grease basis, received in 1964, in line with the decline in world prices. The April 1965 average price was 47.1 cents, down slightly from a month earlier and 14 percent below April 1964.

From mid-April into mid-May, wool prices rose a little due to increased mill activity. The slight gain in prices is expected to continue through midsummer, by which time producers will likely have sold most of the current year's clip. However, the increase in activity is not expected to bolster prices enough to equal last year's levels.

Most prices of competing manmade fibers at present are the same as or below a year ago. The biggest change has been a 14-cent drop in the price of polyester fibers in early 1965.

During 1964, growers' wool prices were relatively favorable compared to recent years. They averaged 53.2 cents per pound, grease basis, for shorn wool. This was 10 percent more than the average for the short 9-month 1963 season (April-December) and the highest since 1957.

Monthly prices increased substantially in early 1964, averaging 54-55 cents in March-June when the bulk of the 1964 clip was sold. Prices then declined, reaching a season low of 47.3 cents in December. During the year, monthly prices were 2 to 11 percent above year-earlier levels.

USDA's prices received by growers for shorn wool are an average of returns at the point of sale, usually the local market or shipping point. This is a net price after deducting marketing

charges such as costs of grading, handling, and scouring or carbonizing, commissions, and transportation from the local shipping point.

Because wool prices were higher in 1964, wool incentive payments are lower. The rate is 16.5 percent or \$16.50 for every \$100 received from the sale of shorn wool during the year. This amount represents the difference between the average price per pound and the previously announced incentive price level of 62 cents under the National Wool Act. During the 1963 marketing year, the payment was \$27.80 per \$100.

The 1964 payment on sales of unshorn lambs (to compensate for the wool on them) is 35 cents per hundredweight of liveweight. The unshorn lamb payment rate is determined by the average weight of wool per 100 pounds of animal, the value of lambs' wool relative to shorn wool, and the average shorn wool incentive payment per pound.

Due to the continuing decline in sheep numbers, domestic wool production in 1965 will again be lower than the previous year. The January 1 sheep inventory was 26.7 million head, including stock sheep and those on feed. This was 5 percent less than on January 1, 1964.

Total wool output in 1964 amounted to 247 million pounds, grease basis. This was 7 percent below 1963. Production in 1964 was equivalent to 119 million pounds of clean wool compared with 129 million in 1963.

Shorn wool production was also down 7 percent last year compared with 1963. Output totaled 221.9 million pounds, grease basis, or 100 million, clean equivalent. The total value was \$118 million, up 2 percent from 1963.

Pulled wool production in 1964 was 25.1 million pounds, 13 percent below 1963.

Charles E. Raymond  
Economic Research Service

# FALL PIG CROP REPORT

## Farrowing Intentions Below 1964

Prospects for the fall pig crop are for farrowings to be down 8 percent from June-November 1964. Breeding intentions are off 7 percent—5.2 million sows to farrow before November 30 this year compared with 5.6 million a year ago. If these intentions are carried out and the number of pigs per litter equals the average (plus allowance for the upward trend in the number farrowed per sow), the fall pig crop will total 37.5 million head. Last year, the fall pig crop was 40.6 million head.

Farrowing intentions by regions are down from 1964 for all but the West, which showed no change. The East North Central Region led with a reduction of 11 percent. Other declines were: North Atlantic, 6 percent; West North Central, 6 percent; South Central, 4 percent; and South Atlantic, down slightly.

The December 1964-May 1965 pig crop totaled 43.2 million head, down 10 percent from the 47.9 million for the same period a year earlier. (The spring and fall pig crops, December 1964 through November 1965, will total 80.7 million head, based on the foregoing figures. This is 9 percent less than last year.) Six million sows farrowed during December-May, 10 percent fewer than the 6.6 million that had pigs during the winter and early spring months of the previous year.

Reductions in the December-May crop of 13 percent each were reported for the East North Central and Western Regions. The West North Central Region was down 10 percent; the North Atlantic, 9 percent; the South Central, 6 percent; and the South Atlantic, 2 percent.

The number of sows farrowing during December-May was 3 percentage points less than had been indicated on December 1. Average litter size increased from last year in all but the West North Central Region where severe late winter and early spring weather in some areas limited the size of litters.

The average number of pigs farrowed per litter is estimated at 7.20 for the June-November crop. This is nearly the same as the 7.22 head farrowed per litter during December-May. During 1964, the fall pig crop also averaged 7.22 pigs per litter and the spring crop averaged 7.23 pigs.

The June 1, 1965, inventory of hogs and pigs on farms in 10 of the Corn Belt States totaled 42.5 million head, 11 percent less than the 47.7 million on June 1, 1964, and 14 percent below the June 1, 1963, inventory. These 10 States normally produce three-fourths of the U.S. pig crop.

Hog numbers were down from a year earlier in all of the 10 Corn Belt States. In Iowa, the leading hog-producing State, numbers were off 6 percent. In Illinois, the second-ranking State, the inventory was 14 percent under a year ago. The drop in other States ranged from 4 percent in Kansas to 18 percent in Minnesota.

However, June 1 inventories in these 10 Corn Belt States this year were up 12 percent from March 1. In 1964, June 1 inventories showed a gain of 17 percent from the earlier census.

The number of pigs and hogs kept for breeding in these States on June 1, 1965, was down 12 percent from a year ago. The number then was 6.3 million head.

Other hog and pig numbers totaled 36.2 million head, 11 percent less than the 40.5 million on June 1 last year. By weight classes, the number of other hogs and pigs on farms June 1, 1965, and the percentage change from a year earlier are: Less than 60 pounds, 19.3 million head, down 13 percent; 60-119 pounds, 8 million head, down 9 percent; 120-179 pounds, 5.2 million head, down 4 percent; 180-219 pounds, 2.8 million head, down 9 percent; and 220 pounds and up, 902 thousand head, down 17 percent.

R. P. Christeson  
Statistical Reporting Service

## Slaughter:

The total output of red meat in the 48 States, including commercial and farm slaughter, was 32.7 billion pounds last year, up 7 percent from 1963.

Beef production amounted to 18.4 billion pounds, 12 percent greater than a year earlier. Veal output was 1 billion pounds, 9 percent above 1963.

Pork production totaled 12.5 billion pounds, 1 percent larger than the 1963 figure. Output of lamb and mutton at 715 million pounds was 7 percent less than the previous year. Lard produc-

tion amounted to 2.5 billion pounds, the same as in 1963.

The total number of cattle slaughtered in 1964 was 13 percent greater than a year earlier; calf slaughter was up 6 percent. Hog slaughter numbers were down 1 percent and those for sheep and lambs were off 8 percent.

The average liveweight of all cattle slaughtered during 1964 was 1,016 pounds, 4 pounds lighter than in 1963. Calves averaged 238 pounds, 10 pounds heavier; hogs, 241 pounds, 3 pounds heavier; and sheep and lambs, 98 pounds, same as the 1963 figure.

### A BARN WITH BUILT-IN PROTECTION:

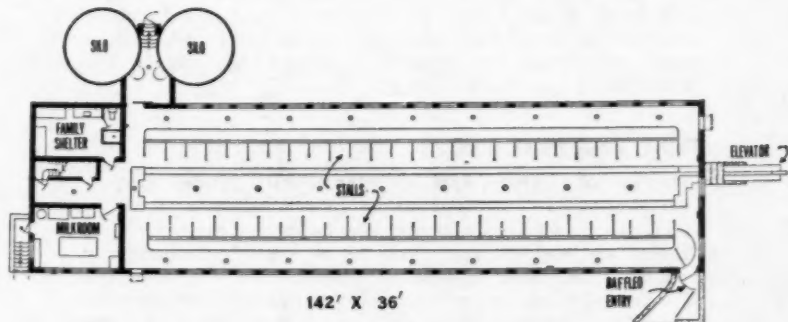
If you're contemplating a new barn, here's a plan with an extra for your family and your herd—protection from fallout in the event of a nuclear accident or attack.

The plan calls for a protective stanchion-type barn. Construction details include mortar-filled concrete block walls (12 inches thick), concrete floors, and concrete block partitions.

The roof is gothic-style, framed with commercial laminated rafters, and sheathed with plywood. Windows are specified as reinforced corrugated plastic, but fixed sash or glass blocks could be substituted.

Because of the construction, earth backfill, and location of feed storage (overhead and in adjacent silos), the family shelter has an estimated protection factor of about 160 (the ratio of gamma radiation outside to that inside) when the feed bin above the shelter is half full. When baled hay is 14 feet deep in the mow, cows in the stanchion area have a protection factor of about 66. (The minimum protection factor recommended for humans is 40; that for breeding livestock is at least 15.)

A flyer about the plan is available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C., 20402. Ask for MP-989; the price is 5 cents each.



# outlook



Based on Information Available on July 9, 1965

## DAIRY PRODUCTION AND PRICES

Milk production for 1965 is currently projected at 127 billion pounds, up slightly from last year's total of 126.6 billion. This increase assumes the continuation of higher dairy prices than a year ago, normal weather during the remainder of the year, and a slower decline in cow numbers than in 1964. Because of higher support levels, prices received by farmers for all wholesale milk are expected to continue slightly above a year earlier through the third quarter. Since January, the average price for all wholesale milk has been running from 2 to 7 cents higher than in the same months a year ago. The June average was \$3.85, up 6 cents from June 1964. Manufacturing-grade milk averaged \$3.21 per 100 pounds in June, 9 cents higher than a year earlier due largely to gains in wholesale prices of butter, cheese, and evaporated milk.

## TOBACCO SUPPLIES

Marketings of flue-cured tobacco in 1965 will be considerably less than in 1964. However, with a record carryover, the total supply for 1965-66 will be second only to the peak level of 1964-65. Production of burley tobacco is expected to be virtually the same as in 1964 and, with a record carryover, will provide a record-high supply for 1965-66.

## FRUIT AND NUT CROPS

Output of peaches, apricots, plums, dried prunes, grapes, and almonds is expected to be larger this year than in 1964. Crops of apples, pears, sweet cherries, sour cherries, filberts and walnuts are likely to be smaller than a year earlier. The most significant changes are the prospect of a record-large grape crop and the lightest Bartlett pear crop in many years. The 1965 peach crop has been forecast at 82.4 million bushels, 11 percent above 1964.



# CHANGE IN FARM POPULATION

## Results in Higher Average Age Level

From April 1963 to April 1964, the farm population averaged slightly less than 13 million, according to an estimate prepared by USDA in cooperation with the Bureau of the Census. This represents a decline from 15.6 million in 1960, or an average of about 650,000 yearly.

The 1964 farm population figure is 6.8 percent of total population. Four years earlier, farm people accounted for 8.7 percent of total population.

The decline in the size of the farm population since 1960 has affected all age groups, with the possible exception of the oldest (65 years old and older). The adult population (25-44 years old) declined about 20 percent and children under 14 (whose parents are largely in the 25-44 age group) were reduced by about the same amount. The reduction in late middle-aged adults (45-64 years old) and teenaged children (14-19) was less than this during the 1960-64 period. These trends in composition of the farm population are largely the result of differences in patterns of migration. The sum total of these changes has been to raise the average age level slightly.

To illustrate the changes in age groups, some 9.9 percent of farm residents were 65 years old and older in 1964. This group accounted for 8.4 percent of the total population in 1960. Although the 1964 proportion of farm people at older ages is similar to that of the total population, this itself is a relatively new thing for farm people. Prior to 1960, the number of older farm people was usually a smaller share of total farm population than all older people were of U.S. population. The large number of young adults leaving agriculture has helped to raise the proportion of older people in the farm population.

The 1964 farm population included about 6.7 million males and 6.3 million females. In the nonfarm population, there are more females than males. However, there is some evidence that

the ratio of males to females among farm residents is diminishing.

The racial composition of the farm population in 1964 was more heavily white than in 1960. Nonwhites accounted for only 1.7 million of total farm population in 1964. They declined 35 percent, or two and a half times as fast as the white farm population, during 1960-64. A third of the overall drop in farm population since 1960 is due to the exodus of nonwhites from agriculture.

Calvin L. Beale  
*Economic Research Service*

### Earlier Release of Soybean Reports

On June 15, SRS announced that two soybean stocks reports previously issued in October will now be released in September.

The end-of-year report indicating soybean stocks on farms will appear in SRS' monthly Crop Production Report to be issued September 10. It will show stocks as of September 1. The year-end report on off-farm and total stocks is scheduled for release on September 23 and will also show stocks as of September 1.

The changes in the release dates of these reports were made following discussions with soybean industry representatives. They were made because of the continuing trend to earlier soybean harvest with a considerable amount of the crop harvested in September. The change to a September date for the end-of-year stocks reports should result in a more accurate accounting of the utilization of the old-crop soybeans, prior to the time the new crop is harvested.

During the year, SRS also reports stocks of soybeans on farms in the January, April, and July monthly Crop Production Reports. Later in each of these months, off-farm stocks and total stocks appear again in a report called Stocks of Grain in All Positions.

# outlook



Based on Information Available on July 9, 1965

## DAIRY PRODUCTION AND PRICES

Milk production for 1965 is currently projected at 127 billion pounds, up slightly from last year's total of 126.6 billion. This increase assumes the continuation of higher dairy prices than a year ago, normal weather during the remainder of the year, and a slower decline in cow numbers than in 1964. Because of higher support levels, prices received by farmers for all wholesale milk are expected to continue slightly above a year earlier through the third quarter. Since January, the average price for all wholesale milk has been running from 2 to 7 cents higher than in the same months a year ago. The June average was \$3.85, up 6 cents from June 1964. Manufacturing-grade milk averaged \$3.21 per 100 pounds in June, 9 cents higher than a year earlier due largely to gains in wholesale prices of butter, cheese, and evaporated milk.

## TOBACCO SUPPLIES

Marketings of flue-cured tobacco in 1965 will be considerably less than in 1964. However, with a record carryover, the total supply for 1965-66 will be second only to the peak level of 1964-65. Production of burley tobacco is expected to be virtually the same as in 1964 and, with a record carryover, will provide a record-high supply for 1965-66.

## FRUIT AND NUT CROPS

Output of peaches, apricots, plums, dried prunes, grapes, and almonds is expected to be larger this year than in 1964. Crops of apples, pears, sweet cherries, sour cherries, filberts and walnuts are likely to be smaller than a year earlier. The most significant changes are the prospect of a record-large grape crop and the lightest Bartlett pear crop in many years. The 1965 peach crop has been forecast at 82.4 million bushels, 11 percent above 1964.

# CHANGE IN FARM POPULATION

## Results in Higher Average Age Level

From April 1963 to April 1964, the farm population averaged slightly less than 13 million, according to an estimate prepared by USDA in cooperation with the Bureau of the Census. This represents a decline from 15.6 million in 1960, or an average of about 650,000 yearly.

The 1964 farm population figure is 6.8 percent of total population. Four years earlier, farm people accounted for 8.7 percent of total population.

The decline in the size of the farm population since 1960 has affected all age groups, with the possible exception of the oldest (65 years old and older). The adult population (25-44 years old) declined about 20 percent and children under 14 (whose parents are largely in the 25-44 age group) were reduced by about the same amount. The reduction in late middle-aged adults (45-64 years old) and teenaged children (14-19) was less than this during the 1960-64 period. These trends in composition of the farm population are largely the result of differences in patterns of migration. The sum total of these changes has been to raise the average age level slightly.

To illustrate the changes in age groups, some 9.9 percent of farm residents were 65 years old and older in 1964. This group accounted for 8.4 percent of the total population in 1960. Although the 1964 proportion of farm people at older ages is similar to that of the total population, this itself is a relatively new thing for farm people. Prior to 1960, the number of older farm people was usually a smaller share of total farm population than all older people were of U.S. population. The large number of young adults leaving agriculture has helped to raise the proportion of older people in the farm population.

The 1964 farm population included about 6.7 million males and 6.3 million females. In the nonfarm population, there are more females than males. However, there is some evidence that

the ratio of males to females among farm residents is diminishing.

The racial composition of the farm population in 1964 was more heavily white than in 1960. Nonwhites accounted for only 1.7 million of total farm population in 1964. They declined 35 percent, or two and a half times as fast as the white farm population, during 1960-64. A third of the overall drop in farm population since 1960 is due to the exodus of nonwhites from agriculture.

Calvin L. Beale  
*Economic Research Service*

### Earlier Release of Soybean Reports

On June 15, SRS announced that two soybean stocks reports previously issued in October will now be released in September.

The end-of-year report indicating soybean stocks on farms will appear in SRS' monthly Crop Production Report to be issued September 10. It will show stocks as of September 1. The year-end report on off-farm and total stocks is scheduled for release on September 23 and will also show stocks as of September 1.

The changes in the release dates of these reports were made following discussions with soybean industry representatives. They were made because of the continuing trend to earlier soybean harvest with a considerable amount of the crop harvested in September. The change to a September date for the end-of-year stocks reports should result in a more accurate accounting of the utilization of the old-crop soybeans, prior to the time the new crop is harvested.

During the year, SRS also reports stocks of soybeans on farms in the January, April, and July monthly Crop Production Reports. Later in each of these months, off-farm stocks and total stocks appear again in a report called Stocks of Grain in All Positions.

# SEASONAL VARIATION IN FEED GRAIN PRICES DECLINES

Three principal factors account for much of the seasonal movement in feed grain prices. They are: Heavy marketings of feed grain crops during and after harvest in the summer and fall; storage of feed grains during the year; and improvement of grain quality during storage due to loss of excess moisture.

A study of feed grain prices during 1952-63 indicates that seasonal variation is less pronounced nowadays compared with prewar years. Government price support programs and the larger stocks of feed grains in the postwar period appear to be important in reducing the season fluctuation of prices.

The analysis of prices also indicates that peak-price periods have tended to level out more than those of seasonal low periods. Increased use of combines, pickers, trucks, and the like since World War II has tended to concentrate harvesting and marketing, especially of corn, into shorter periods. This trend has emphasized seasonal price lows at harvesttime.

During the postwar period, the most pronounced seasonal variation for both farm and market prices was for corn, followed by sorghum grain, oats, and barley.

Prices received by farmers for corn during 1952-63 reached their seasonal low in November when harvesting of the new crop in the Corn Belt was well underway. The November low was 92 percent of the annual average. Prices then rose to a seasonal high of 106 percent of average in June, July, and August.

Seasonal farm corn prices in the postwar period were much less pronounced than those of the prewar era (1922-41). One noticeable difference was the considerably smaller seasonal rise in farm prices during the postwar years than in the prewar period.

The seasonal changes in prices of No. 3 Yellow corn at Chicago followed a pattern similar to that of farm prices.

Largely because the No. 3 grade doesn't improve much in quality during storage, market prices rose less rapidly than did farm prices. Prices reached a seasonal low of 93 percent of average in November, 1 percent above the low-point for farm prices. The high of 105 percent was in May and June and occurred a month earlier than for farm prices.

The range in the seasonal variation of postwar sorghum grain prices received by farmers was from a low of 95 percent of the annual average in October to a peak of 104 percent in May. Seasonal variation during the postwar years was much less than in the 1933-51 period. Market prices rose and fell more sharply than did farm prices. The postwar seasonal low was 92 percent of average in October; the peak was 108 percent in July.

The seasonal low for farm prices of oats occurred in August at 93 percent of the annual average. The peak was reached in December and January at 103 percent. Again, there was less seasonality in postwar prices than those in prewar years.

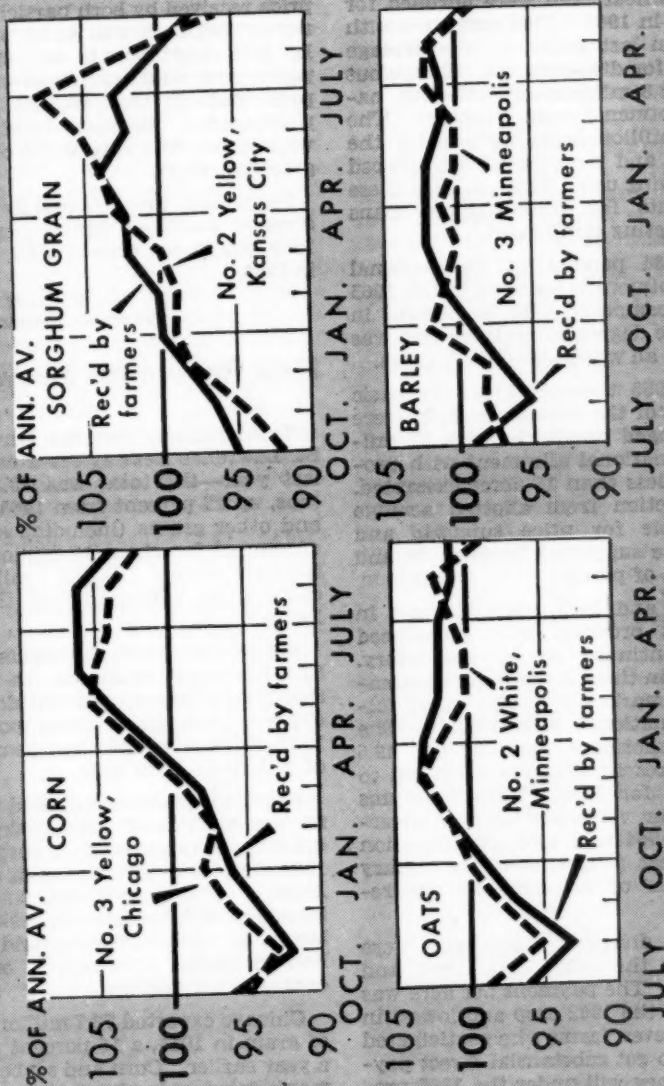
The seasonal pattern for prices of No. 2 oats at Minneapolis was about like that of farm prices in the first half of the marketing year, but somewhat weaker in the second half. The low was in August; the high in December.

Farm prices of barley generally exhibited a seasonal pattern like that of oats. The seasonal low of 95 percent occurred in August. The high was 3 percent above average in December, January, and February. Variation in prices of No. 3 barley at Minneapolis was rather irregular, especially in the winter and spring.

Feed grain prices are generally lowest at harvest and rise as the marketing year progresses. However, storage costs must be subtracted from the higher price the grain may bring later on.

Jack S. Ross  
*Economic Research Service*

# SEASONAL VARIATION IN FEED GRAIN PRICES



COMPUTED FROM MONTHLY PRICES DURING THE MARKETING YEARS 1952-53 THROUGH 1963-64.

U. S. DEPARTMENT OF AGRICULTURE

NEG. ERS 3677-65 (5) ECONOMIC RESEARCH SERVICE



## Intended Diversion of Wheat Acreage Much Higher This Spring Than Last

By the April 2 deadline, 7.5 million acres of wheat land were enrolled for diversion in 1965. This compares with 5.1 million last year. Of the acreage intended for diversion, 2.5 million (out of the 53.3-million-acre effective national allotment) were voluntary. The other 5 million acres were above the allotment and represented land placed in conserving uses. This qualified these participants for price-support loans and marketing certificates.

About 84 percent of the national wheat allotment is enrolled in the 1965 program compared with 76 percent in 1964. The degree of participation was heavier in all wheat-producing areas.

From 1955 through 1961, the basic provisions of the wheat programs were little changed and included a 55-million-acre national allotment with producers of less than 15 acres exempted. All production from allotted acreage was eligible for price supports and prices were supported between 75 and 90 percent of parity.

In 1962 and 1963, some changes in the wheat program were introduced but it continued to be mandatory. Programs in these 2 years were accompanied by marketing quotas which followed a national referendum. The effective allotment was cut to 49.5 million acres in 1962 but returned to 55 million for 1963. Both programs provided for voluntary acreage diversion. In 1964 and 1965, participation in the wheat programs was voluntary with quotas or referendums not required.

Acreage diversion payments were offered for the 1962, 1963, 1964, and 1965 crops. The payment per acre was highest for the 1962 crop and lowest in 1964. However, farms who participated in 1964 also got substantial direct payments as they will under the 1965 program. Similar, though smaller, payments were part of the 1963 program, too.

The effect of the 1962, 1963, and 1964 wheat programs is best illustrated in terms of how they affected producers'

prices. In 1962, the season-average price received by both participants and nonparticipants was \$2.04 per bushel. In 1963, participants got \$2.03 compared with \$1.85 for those who didn't participate in the program. In 1964, participating farmers received \$1.80 while those who stayed out of the program got \$1.37.

Payments on voluntarily diverted acreage averaged \$29.72 per acre in 1962, \$22.82 per acre in 1963, and \$6.39 in 1964.

William R. Askew  
*Economic Research Service*

## New Record for Seaway

Total tonnage moving through the St. Lawrence Seaway set a new record last year—the total was 39.3 million tons, up 27 percent from 1963. Wheat and other grains (including soybeans) accounted for about 15 million tons of the 1964 volume. Nearly 7 million tons came from U.S. ports on the Great Lakes.

Most U.S. grain shipments via the St. Lawrence originate in Duluth-Superior, Chicago, and Toledo. Grain exports from these three ports were 233.8 million bushels last year, a gain of 7 percent from 1963.

Duluth-Superior accounted for 103.4 million bushels of Great Lakes' grain exports, an increase of 11 percent over 1963, despite a dock strike in July and August. The overall gain was due to increases of 6.7 million bushels in soybeans, 5.5 million in corn, and 4.6 million in barley. Shipments of wheat, oats, and rye declined.

Chicago exported 78.7 million bushels of grain in 1964, a 16 percent rise over a year earlier. Corn and soybean shipments increased; wheat exports slipped a little.

The overall volume of U.S. grain shipments via the Lakes (export and domestic) dropped slightly in 1964.

Joseph R. Corley  
*Economic Research Service*

# WEEKLY CROP-WEATHER REPORTS GAGE CONDITIONS

Every Friday or Saturday, weather-crop reporters in almost all farm counties across the Nation complete and mail questionnaires describing the current condition of crops and livestock, particularly as affected by weather. Volunteer Weather Bureau observers throughout the country also complete and mail a weekly temperature and precipitation report each Friday or Saturday.

These weather-crop reporters and cooperative weather-observers include a wide range of people, but all have a keen interest in agriculture. In many States, the county agents form the essential core of weekly weather-crop reporters. Others who perform this valuable public service are farmers, country bankers, elevator operators, and other rural area residents interested in weather and agriculture.

Each Monday morning's mail brings the weather-crop reports to the State statisticians' offices. The same mail delivers the cooperative weather-observers' reports to the offices of the State climatologists. In both SRS and the Weather Bureau's offices, the Monday task of reviewing and summarizing the individual crop evaluations and weather observations moves very rapidly.

By afternoon, the reports have been tabulated and summaries written. The summary is a concise description of the previous week's weather and its effects on crops and livestock within the State. This combined weather and crop message is wired to Washington to become a part of the National weekly weather and crop bulletin. After the condensed summary is sent to Washington, most State offices prepare a more detailed report for release locally.

To prepare a summary for the Nation requires careful attention to all areas and to all major crops. Weekly statements contain up-to-the-minute descriptions of crops, pasture, and livestock conditions. The proportion of each major crop planted, the stage of

growth, and the progress of harvest are often expressed as percentages and compared to normal or to the previous crop year. The weekly weather reports use maps, tables, and narrative.

For such analyses to be the most useful to their readers, weather information must be released *quickly*. The National bulletin is released each Tuesday. The State reports are often available for distribution on Mondays.

The State weekly weather and crop reports can be obtained by writing to your State statistician's office or to the Secretary of the Crop Reporting Board, Statistical Reporting Service, U.S. Department of Agriculture, Washington, D.C., 20250. The State bulletins are free on request. The National weekly weather and crop bulletin is available by subscription from the Superintendent of Documents, Government Printing Office, Washington, D.C., 20402. The price is \$3 per year for domestic mailing.

R. R. Hancock  
*Statistical Reporting Service*

## Weather-wise . . .

A recent study of corn yields in the Corn Belt during 1929-62 indicates that the effects of weather have been offset to some extent by the use of improved production practices. The adoption of hybrid seed, high analysis and liquid nitrogen fertilizers, along with better methods of planting and cultivating corn, appears to have made the fluctuations in midwestern corn yields less pronounced, as well as more than doubling output per acre.

After adjusting Corn Belt corn yields for the effects of weather, specialists found that yields rose from around 30 bushels to the acre in 1929 to over 70 bushels in 1962. The rise averaged 1.3 bushels annually. The average effect of the weather on the year-to-year change in yields was negligible.

# OVER 1 MILLION ACRES SIGNED FOR COTTON PROGRAM

On May 11, 1965, USDA announced that some 64,194 producers in 19 States had signed up to take more than 1 million acres out of cotton production in 1965 under the domestic allotment program. This compares with about 500,000 acres taken out of production in 1964.

Participants in the program have agreed to plant within their domestic acreage allotment. Allotments are about 65 percent of the effective acreage allotment for each farm. Producers who plant within their domestic allotment are eligible for a price-support payment of 4.35 cents a pound on their normal yield per acre times the acreage planted. In addition, participants are eligible for price-support loans at 29 cents a pound for Middling 1-inch lint produced on allotted acreage.

Producers on farms with cotton allotments of 15 acres or less are eligible for the additional price-support payment without having to sign up under the program. There are about 370,000 small farms in the total of slightly more than 600,000 cotton farms.

On May 17, USDA announced premiums and discounts for 1965-crop cotton. The base quality is Middling 1-inch for upland cotton. The differentials for qualities higher than Middling 1-inch are shown as premiums; those lower are shown as discounts.

Differentials this year are generally wider, particularly for qualities higher than Middling 1-inch, than those of a year ago. For example, the premium for Middling  $1\frac{1}{16}$ -inch cotton is 155 points. This premium was 140 points in 1964. For 1965-crop extra-long staple cotton, the differentials have about the same relationship as they had in 1964.

## Proposed Changes in Skip-Row Rules

The USDA has proposed a change in the rule for measuring cotton allotments planted in skip-row patterns. The change, if adopted, will apply to the 1966 crop.

The change in the rule has been proposed because USDA studies of different skip-row planting patterns have confirmed that the practice has increased yields and total production substantially. About 2.5 million acres of the 14.8 million planted to cotton last year were in skip-rows.

Under the present rule, all the idle land beyond half of a normal row isn't counted as cotton. This in effect spreads the allotment over more land. Under the proposed change, part of the idle land would be included in the allotment.

Here's an example of how the present and proposed rules work. A farmer with a 50-acre allotment uses a skip-row pattern with 2 rows of cotton and 2 rows idle. Under the present system, half the total area is considered planted to cotton. This permits the farmer to use 100 acres of land for cotton and still be in compliance with his allotment.

Under the proposed rule, 65 percent of the land would be considered as planted to cotton. Therefore, the farmer would be able to plant no more than 77 acres in a 2 and 2 pattern if he intended to comply with his allotment.

## Machine Harvesting Still Rising

Seventy-eight percent of the 1964 crop of upland cotton was machine harvested. This compares with the previous record of 72 percent in 1963.

During the 1964 harvesting season, 58 percent of the upland crop was machine picked, 19 percent was machine stripped, and 1 percent machine scrapped. Sixteen percent of the upland crop was handpicked and 6 percent hand snapped.

Of the major cotton-producing States, Arizona and California had the largest shares of their crops machine-harvested last year. The proportion for both States exceeded 90 percent.

James R. Donald  
*Economic Research Service*

# Gin Storage for Seed?

July 1965

The use of mechanical harvesting in cotton production is a big help to most growers, but it's another matter for ginner. Machine picking has shortened harvesting time to such an extent that many gins cannot handle all the seed cotton that arrives at peak periods. This in turn delays the return of trailers to the fields and slows harvesting operations. One possible solution to the problem is storage of seed cotton at gins.

However, storing seed cotton in individual bins or on trailers is exorbitantly expensive. The use of portable baskets or bulk storage are more practical and less costly choices.

Portable baskets require an investment of about \$34,100 for a 500-bale capacity unit; \$219,400 for 5,000 bales. Although more costly than bulk bins, the portable baskets are more flexible to use, easier to unload, and can be tied in with preginning drying and cleaning operations.

Bulk storage in the gin yard requires an investment of \$24,150 for a 500-bale unit; \$173,500 for 5,000 bales.

Costs per bale for seed cotton storage at the gin run rather high because there is rarely any alternative use for the space after the ginning season ends. When filled to capacity once during the ginning season, cost estimates per bale for storage in portable baskets run from \$7.50 for the 500-bale unit to \$5 for 5,000 bales. The estimated costs per bale for bulk storage are from 20-25 percent less. Obviously, costs could also be reduced if existing structures can be remodeled for storage purposes.

The probable increase in seasonal ginning volume as the result of storage is likely to reduce ginning costs somewhat. But, the cost of storage is likely to more than offset the reduction in ginning charges. In seasons with a short crop, storage mightn't add to the gin's volume at all and therefore total operating costs would be even greater. Thus, ginner should also consider modernizing their present plant, or building a larger plant as a means of increasing their unloading rate.

Zolon M. Looney and others  
*Economic Research Service*

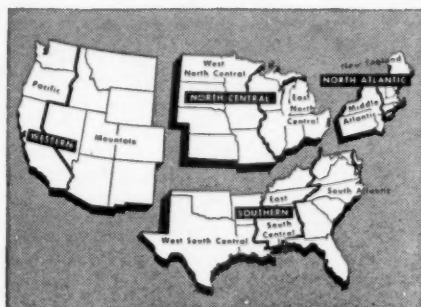
## In This Issue

	Page
Peanut Trends.....	1
Washable Wool.....	4
Wool Prices.....	5
Fall Pig Crop.....	6
Outlook.....	8
Farm Population.....	9
Variation in Grain Prices.....	10
Wheat Diversion.....	12
Weather Reports.....	13
Cotton Program Signup.....	14
Cottonseed Storage.....	15

All Articles May Be

Reprinted Without Permission

Editor: Marilyn H. Grantham



UNIVERSITY MICROFILMS INC  
313 N FIRST ST  
ANN ARBOR MICH  
334

9-19-58

UNITED STATES  
DEPARTMENT OF AGRICULTURE  
STATISTICAL REPORTING SERVICE  
WASHINGTON, D.C. 20250  
OFFICIAL BUSINESS

POSTAGE AND FEES PAID  
U.S. DEPARTMENT OF AGRICULTURE



